



AGENDA ITEM: 12C -2  
DATE OF MEETING: January 27, 2010  
ACTION:   X    
INFORMATION: \_\_\_\_\_

**Parent Signature Program  
*Kit for New Parents***

**SUMMARY OF REQUEST**

This is a request for the Commission to approve the release of an Invitation for Bid (IFB) for up to \$18 million for the production and distribution of the *Kit for New Parents (Kit)* for three years beginning May 1, 2010, through June 30, 2013. Under this new agreement, the contractor(s) will print, procure, and fulfill *Kit* components; provide content review; and design changes and training.

**BACKGROUND**

The *Kit* was released in 2001 as a first-of-a-kind parent education resource distributed at no cost to California residents. Through First 5 California's partnerships with First 5 county commissions, the *Kit* reaches California parents, grandparents, and caregivers and often functions as a critical first step to educate them about the care, health, and education of children ages 0 to 5 and the services provided by First 5 California. Since October 2001, First 5 California, through its outreach efforts and partnerships with First 5 county commissions, has distributed more than 3 million *Kits* to Californians. The *Kit* has been one of First 5 California's most successful and highly visible products. Thousands of California parents and caregivers have benefitted through the years from this valuable resource. For nearly a decade, First 5 California has borne the entire cost of producing and distributing the *Kit*. However, the challenging state budgetary times have made it difficult for First 5 California to continue to produce and distribute the *Kit* at current levels. As a result, First 5 California formed an internal staff committee to review the *Kit* and make recommendations for future iterations. Based on the committee's review, First 5 California recommends that a reduced-cost *Kit* be offered as an integral part of the Parent Signature Program in the following two-tiered approach:

1. A smaller *Kit* package will be targeted toward California's hard-to-reach population and those in lower incomes and below (45% of California's 0 to 5 population and their families.<sup>1</sup>)

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<sup>1</sup> The 45% figure comes from the National Center for Children in Poverty (NCCP), Mailman School of Public Health, Columbia University. State data were calculated from the Annual Social and Economic Supplement (the March Supplement) of the Current Population Survey from 2007, 2008, and 2009, representing information from calendar years 2006, 2007, and 2008. The NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2009 data, representing information from the previous calendar year.

2. An online *Kit* available on First 5 California’s Parent Resource Web site will be targeted toward the remainder of California parents, grandparents, and caregivers. This online *Kit* will include comprehensive information about the care, health, and well-being of children ages 0 to 5, with an emphasis on providing information that will enable parents to truly become their child’s first teacher and help them prepare for success in school.

County commissions would distribute the *Kit* to their constituents in a more targeted approach and encourage their partners to inform clients about the available online version of the *Kit*.

The items chosen to remain in the *Kit* were selected based on best return for cost and because they meet the measurable program goals for First 5 California’s Signature Programs. The redesigned *Kit* will align closely with all of First 5 California’s Signature Programs, including the Parent Resource Web site. Removed items from the *Kit* will be converted to PDF format and posted online as part of the online *Kit*. A promotional card informing Californians about the online *Kit* will be distributed to counties, disseminated at events, distributed from the Hands-on-Health van, and included in the redesigned *Kit*.

The contents and cost of the current and redesigned *Kit* are as follows:

Cost per current *Kit* = \$21.61

- 475,000 *Kits* built per year x \$21.61 = **\$10,264,750 per year**

Cost per redesigned *Kit* = \$15.78

- 300,000 *Kits* built per year x \$15.78 = **\$4,734,400 per year**
- *Kits* built per year would be capped at 300,000<sup>2</sup>
- **ESTIMATED COST SAVINGS = \$5,530,350 per year**

| <b>Current <i>Kit</i> for New Parents’ Materials</b>                     | <b>Redesigned <i>Kit</i></b> | <b>Online <i>Kit</i></b> |
|--|------------------------------|--------------------------|
| Activities Pamphlet set of 3   |                              | X                        |
| <i>Advice for New Parents</i> DVD and Wallet with 2 pockets and assembly | X                            |                          |
| <i>Advice for New Parents</i> Wire-O booklet                             |                              | X                        |
| Brief Case box with handle   | X                            |                          |
| Filler   | X                            |                          |
| Flyer for Healthy Families program                                       |                              | X                        |
| Master pack carton   | X                            |                          |

<sup>2</sup> The 300,000 figure is 45% of births in California averaged from 2010 through 2013.

| <b>Current <i>Kit for New Parents' Materials</i></b>  | <b>Redesigned <i>Kit</i></b> | <b>Online <i>Kit</i></b> |
|---|------------------------------|--------------------------|
| Paid Family Leave brochure  |                              | X                        |
| <i>Parents Guide</i>  | X                            |                          |
| Poison Control brochure   | X                            | X                        |
| <i>Puppy and Friends</i> baby board book  | X                            |                          |
| <i>What to Do When Your Child Gets Sick</i> book  | X                            |                          |
| Reply card for VHS video request  |                              | X                        |
| Oral Health brochure  |                              | X                        |
| Oral Health licensing fee (paid to EMS for the pediatric oral health segment distributed on First 5 California's <i>Advice for New Parents</i> DVD) | X                            |                          |

**STAFF RECOMMENDATION**

Staff recommends approval of a release of an Invitation for Bid (IFB) for up to \$18 million for production and distribution of the *Kit* for three years beginning May 1, 2010, through June 30, 2013.

**DISCUSSION**

The cost for the *Kit* will be reduced substantially by these changes while still providing comprehensive information to parents, grandparents, and caregivers of children ages 0 to 5. By capping *Kit* annual production, a significant cost savings will be achieved. In addition, a lower-cost, equally effective *Kit* will benefit taxpayers and demonstrate that First 5 California is sensitive to the fiscal challenges faced by the state. In light of the cost savings and online availability of *Kit* materials, initial conversations with First 5 county representatives have rendered positive reactions regarding proposed changes in the *Kit*.

**ALTERNATIVES CONSIDERED**

**Description of Alternative 1**

No significant changes in production or content for the *Kit*.

**Pros**

- The *Kit* is a successful and widely praised program in its current form.

**Cons**

- In these difficult economic times, agencies must try to find solutions to the state's budget crisis. The cost of the current *Kit* is high. The current contract is for \$28 million for three years.

- There are no limits in *Kit* production per year. A vendor spends until the funds are exhausted. This may result in a shortfall and production halt during a contract period.
- The *Kit* would not be an integrated piece of the Signature Programs Parent Resource Web site.
- Less funds available for other important First 5 California programs.

**Description of Alternative 2**

Discontinue funding the *Kit*.

**Pros**

- First 5 California would save \$18 million over 3 years.

**Cons**

- The *Kit* would no longer be available to new parents and caregivers in California.
- County commissions, hospitals, and educational organizations dependent on the *Kit* as part of their outreach and parent education program will be left without an important tool.

**FUND REQUEST FISCAL DETAIL**

|   |   |                    |                       |                             |  |  |
|---|---|--------------------|-----------------------|-----------------------------|--|--|
| Title of Request:   | Kit for New Parents   |                    |                       |                             | <input checked="" type="checkbox"/> Contract<br><input type="checkbox"/> Program Disbursement<br><input type="checkbox"/> Special Disbursement |  |
| Amount of Current Agreement:  | Up to   | N/A                | Expenditures to Date: | N/A                         |  |  |
| Current Term of Agreement:  | N/A   | Through            | N/A                   |                             |  |  |
|   |   | Fiscal Year Detail |                       |                             |  |  |
|   |   | FY 09-10           | FY 10-11              | FY 11-12                    | FY 12-13   |  |
| New Amount Requested:   | Up to   | \$18,000,000       | \$1,500,000           | \$5,500,000                 | \$5,500,000  | \$5,500,000                            |
| Total Amount of Agreement:  | Up to   | \$18,000,000       |                       |                             |  |  |
| Percent of Available Fund Balance Affected by Agreement   |   |                    | .01%                  | .07%                        | .06%   | .06%                                   |
| Proposed Funding Term:  | May 1, 2010   | Through            | June 30, 2013         |                             |  |  |
| First 5 California Account Name:  | Mass Media Communications   | Account Number     | 0631                  | Fund Availability Confirmed | <input checked="" type="checkbox"/> Yes<br>By: Sandy Beck  |  |
| Statutory Purpose:<br>Health and Safety Code 130105(a)(1)(A)  | Six percent shall be deposited in a Mass Media Communications Account for communications to the general public utilizing television, radio, newspapers, and other mass media on subjects relating to and furthering the goals and purposes of this act, including, but not limited to, methods of nurturing and parenting that encourage proper childhood development, the informed selection of child care, information regarding health and social services, the prevention and cessation of tobacco, alcohol, and drug use by pregnant women, the detrimental effects of secondhand smoke on early childhood development, and to ensure that children are ready to enter school. |                    |                       |                             |  |  |
| Do our funds leverage others?   | <input checked="" type="checkbox"/> Yes (explain)<br><input type="checkbox"/> No  | Commission Funds   |                       | Leveraged Funds             |  | Total Funds                            |
|   |   | \$18,000,000       |                       | TBD                         |  | TBD                                    |
| <p>The California Department of Health care Services (DHCS) compensates First 5 California for the federal share of the actual expense of producing and distributing the <i>Kit for new Parents</i> to Medi-Cal eligible beneficiaries. First 5 California receives funds through an interagency agreement (03-76097) with DHCS to offset the cost of kits distributed. Redesign of the kit distribution strategy may impact the reimbursement amount of federal funds. The figures for leveraged funds for FY 2009-10 through FY 2012-13 have not been determined.</p> |   |                    |                       |                             |  |  |
| Key Deliverable Descriptions  |   |                    |                       |                             |  | Deliverable Date                       |
| Contractor must produce and/or procure all components of the <i>Kit</i> . All specifications must be followed unless changes are pre-approved by First 5 California Contract Manager.   |   |                    |                       |                             |  | Monthly Subscriptions                  |
| Upon receipt of approved custom <i>Kit</i> items listed by county from First 5 California, Contractor will customize county <i>Kits</i> . The contractor will receive, inventory, process, and distribute customized <i>Kits</i> in accordance with the basic <i>Kit</i> specifications and county requested specifications provided by the county and approved by First 5 California.  |   |                    |                       |                             |  | Ongoing                                |
| Ship all orders within three business days of receipt of the order, using order receipt date or subscription delivery request date to determine shipping sequence, unless other arrangements are approved by First 5 California.  |   |                    |                       |                             |  | Shipped three business days of request |
| Provide tracing and tracking for orders, using UPS, FedEx, U.S. Postal Service systems, including CASS (Coding Accuracy Support System), or any other approved carrier.   |   |                    |                       |                             |  | At time of shipment                    |